

May 10, 2011

**Via ECFS**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: *In re: Lifeline and Link Up Reform and Modernization; Federal-State  
Joint Board on Universal Service; Lifeline and Link Up; WC Docket No.  
11-42, CC Docket No. 96-45, WC Docket No. 03-109*

---

Dear Secretary Dortch:

We the undersigned executives of wireline competitive eligible telecommunications carriers (“ETCs”)<sup>1</sup> write to express for the record our opposition to the Federal Communications Commission’s (“Commission”) proposal to eliminate TLS reimbursement and our support for the positions taken by Reunion Communications in its comments, including its alternative proposal of adopting a reasonable cap on TLS reimbursement. While we fully support the Commission’s goal of eliminating waste, fraud and abuse in the Lifeline fund, we believe that the approach endorsed by Reunion Communications represents a more well tailored regulatory solution that will effectively address the problem while continuing to maximize opportunities for low-income consumers to stay connected to the network, emergency services and job opportunities.

As explained by Reunion Communications, TLS and TLS reimbursement are critical elements to wireline competitive ETC business model and the compelling value proposition it brings to the low-income consumer. Our companies succeed in this space by offering better customer care, education and value than our competition. We speak different languages, we interface with local social service agencies and we set ourselves up to provide the “high touch” customer care that is required. We also provide a product that bundles a full month of always-on inbound and outbound local calling with a limited allotment of toll calling (using TLS). And we do this at a price that is manageable for many low-income consumers. While the service packages vary from carrier-to-carrier and from state-to-state, in general, we agree with Reunion Communications that the so-called sweet spot for this market segment is \$20-22 per month (after application of Lifeline funding).

---

<sup>1</sup> Some of the signatories this letter also are wireless competitive ETCs serving Lifeline customers. These wireless offerings are best seen as alternatives to and not as replacements for wireline competitive ETC offerings. Some low-income consumers prefer the value and features of the wireline offering over those of wireless offerings, including free wireless calling packages.

Many of our customers seem to prefer the high reliability of our non-mobile, always-on wireline services which feature unlimited local calling and limited toll. All of our customers take TLS because it is integrated into our bundled service offerings. Without TLS reimbursement, it would not be possible for us to offer these high value service packages. We all purchase TLS from a wholesale provider. Whether it be toll blocking from the incumbent LECs or toll control solutions from a vendor like Reunion Communications, we incur costs from these vendors which simply cannot be absorbed by us (our margins are too thin) and cannot be passed on to our customers (their ability to pay is very limited).

Accordingly, the elimination of TLS reimbursement would have a devastating effect on our business and on our customers. Our customers would be forced to move to alternatives they view as inferior – some with higher costs and no inbound calling and others with severely restricted usage limits applicable to inbound and outbound calling. Our businesses would need to respond by abandoning current wireline offerings and by eliminating the jobs that support them. It is no exaggeration to state that hundreds of jobs supported by the wireline competitive ETC business model will be put at risk.

For all of the reasons set forth by Reunion Communications in its comments, we respectfully urge the Commission to adopt a reasonable cap for TLS reimbursement. This approach should effectively control “bad actors” while allowing “good actors” to continue to serve low-income consumers with compelling wireline service packages.

Respectfully Submitted,

\_\_\_\_\_  
/s/ Brent Ragin

Brent Ragin  
Director of Compliance and Human  
Resources  
Four Star Marketing, LLC  
dba Mid-South Home Phone  
1337 Warford Street  
Memphis, TN 38108

\_\_\_\_\_  
/s/ Jim Dry

Jim Dry  
President  
Image Access, Inc. d/b/a New Phone  
5555 Hilton Avenue  
Suite 415  
Baton Rouge, LA 70808

\_\_\_\_\_  
/s/ David Skogen

David Skogen  
Chief Executive Officer  
Global Connection  
5555 Oakbrook Parkway  
Suite 620  
Norcross, GA 30093

\_\_\_\_\_  
/s/ Scott Cathey

Scott Cathey  
Vice President of Business Development  
Head Start Telecom, Inc.  
232 South Main-Suite B  
Stillwater, OK 74074

/s/ Thomas Adair

Thomas Adair  
President  
Fast Phones, Inc.  
5340 Perimeter Parkway Court  
Montgomery, AL 36116

/s/ Chuck Schneider

Chuck Schneider  
Senior Vice President  
dPi Teleconnect  
3350 Boyington, Suite 200  
Carrollton, TX 75006

/s/ Jerry Holt

Jerry Holt  
President  
Midwestern Telecommunications, Inc.  
15426 South 70th Court  
Orland Park, IL 60462

/s/ Gregory Drake

Gregory Drake  
President  
SOS Telecom, Inc.  
1550 North Northwest Highway  
Suite 310  
Park Ridge, IL 60068

/s/ Travis Graff

Travis Graff  
Chief Executive Officer  
TC Telephone LLC  
P.O. Box 1095  
Red Bluff, CA 96080

/s/ Thomas Armstrong

Thomas Armstrong  
President  
Express Phone Service, Inc.  
1020 N. 9<sup>th</sup> Avenue  
Pensacola, FL 32501